

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: District Court Funds of District No. 26, Division 1, City of River Rouge, Michigan		County Wayne
Audit Date June 30, 2004	Opinion Date December 10, 2004	Date Accountant Report Submitted To State: December 30 2004		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name):			
Street Address 2990 W. Grand Blvd. Suite 310	City Detroit	State MI	ZIP 48202
Accountant Signature <i>Alan L. Young; Assoc.</i>			

**District Court Funds of District No. 26,
Division I
City of River Rouge, Michigan**

**Financial Report
with Supplemental Information
June 30, 2004**

District Court Funds of District No. 26, Division I City of River Rouge, Michigan

Contents

Report Letter	I
Basic Financial Statements	
Balance Sheets	2
Notes to Financial Statements	3
Supplemental Information	
Schedules of Cash Receipts and Disbursements	4

**Alan C.
Young & Associates, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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District Judge Raymond A. Charron
District Court No. 26, Division I
River Rouge, Michigan

We have audited the basic financial statements of the District Court Funds of District No. 26, Division I (a component unit of the City of River Rouge, Michigan) as of June 30, 2004. These financial statements are the responsibility of the District Court No. 26, Division I, City of River Rouge, Michigan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District Court Funds of District No. 26, Division I, City of River Rouge, Michigan at June 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial statements do not include a management's discussion and analysis, which would present an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.

December 10, 2004

Alan C. Young & Assoc

District Court Funds of District No. 26, Division I

City of River Rouge, Michigan

Balance Sheets

June 30, 2004

	General Account	Bond Account
Assets - Cash and cash equivalents (Note 2)	<u>\$ 38,510</u>	<u>\$ 43,031</u>
Liabilities		
Due to:		
City of River Rouge	\$ 26,834	\$ -
State of Michigan	9,376	-
Bond deposits	-	43,031
Other	<u>2,300</u>	<u>-</u>
Total liabilities	<u>\$ 38,510</u>	<u>\$ 43,031</u>

District Court Funds of District No. 26, Division I City of River Rouge, Michigan

**Notes to Financial Statements
June 30, 2004**

Note 1 - Significant Accounting Policies

The funds of District Court No. 26, Division I (the "District Court") are Agency Funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. Accordingly, the operations of the funds are limited to cash transactions.

The District Court is a blended component unit of the City of River Rouge, Michigan and is included in the general purpose financial statements of the City of River Rouge, Michigan at June 30, 2004. The costs relating to the operation of District Court No. 26, Division I are budgeted items of the City of River Rouge, Michigan's General Fund and, accordingly, such costs are paid by the City's General Fund.

Note 2 - Cash and Cash Equivalents

The District Court's cash and cash equivalents at June 30, 2004 are composed of deposits of \$81,541. The deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$79,977, all of which was covered by federal depository insurance.

Note 3 - Bank Accounts

General Account - General Account transactions include the receipt of ordinance fines and costs, State fees, parking fines, bond forfeitures, civil filing fees, interim bonds, constable fees, restitution, and other amounts due to the City and the State.

Bond Account - Bond Account transactions represent all bond-related activity.

Note 4 - District Court Funds

The District Court is divided into two separate units, with each unit maintaining its own funds. Only the funds held by District Court No. 26, Division I, City of River Rouge, Michigan are included in the accompanying financial statements.

Supplemental Information

**Alan C.
Young & Associates, P.C.**
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District Judge Raymond A. Charron
District Court No. 26, Division I
River Rouge, Michigan

We have audited the basic financial statements of the District Court Funds of District No. 26, Division I (a component unit of the City of River Rouge, Michigan) as of June 30, 2004. Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The additional information for the year ended June 30, 2004 listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements of the District Court Funds of District No. 26, Division I, City of River Rouge, Michigan. This information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Alan C. Young & Assoc.

December 10, 2004

District Court Funds of District No. 26, Division I

City of River Rouge, Michigan

Schedules of Cash Receipts and Disbursements

Year Ended June 30, 2004

	General Account	Bond Account
Cash Balance - July 1, 2003	\$ 23,418	\$ 46,247
Receipts		
Fines and fees collected	362,351	-
Bond receipts	-	93,600
Restitution, judgments, and other	<u>31,089</u>	<u>-</u>
Total receipts	393,440	93,600
Disbursements		
Transfers:		
City of River Rouge	275,301	-
State of Michigan	68,052	-
Judges' Retirement System	4,223	-
Bond refunds and forfeitures	-	96,816
Restitution, judgments, and other	<u>30,772</u>	<u>-</u>
Total disbursements	<u>378,348</u>	<u>96,816</u>
Cash Balance - June 30, 2004	<u><u>\$ 38,510</u></u>	<u><u>\$ 43,031</u></u>